

Hand Delivered

March 3, 2003

Mary L. Cottrell, Secretary
Dept. of Telecommunications and Energy
1 South Station
Boston, MA 02110

Re: Essex Gas Company d/b/a KeySpan Energy Delivery New England
2002 Service Quality Annual Report D.T.E. 03-18

Dear Ms. Cottrell:

Enclosed is the Essex Gas Company ("Essex Gas" or "Company") 2002 annual service quality report.¹ This report is submitted in accordance with the Department of Telecommunications and Energy's (the "Department") order in Service Quality Standards for Electric Distribution and Local Gas Distribution Companies, D.T.E. 99-84 (2001). The results of the report demonstrate that Essex Gas's aggregate service quality performance for 2002 exceeded the historic benchmarks established by the Department.

As requested by the Department in its February 6, 2003 memo to gas and electric distribution companies, the Company's report contains three sections. Section one is a summary of the Company's 2002 performance. Section two contains available historical performance since 1993. Section three contains back-up data and supporting schedules used in calculating the Company's performance.

There are two items worth noting in the Company's report. First, the employee count number reported for 2002 represents the total number of KeySpan Energy Delivery New England's Massachusetts² employees including those assigned to KeySpan Corporate Services, LLC.

¹ Non-penalty measure performance and financial data should be treated as preliminary in nature and may be updated with the filing of the Company's D.T.E. annual return.

² The Massachusetts local distribution companies doing business as KeySpan Energy Delivery New England are Boston Gas Company, Colonial Gas Company and Essex Gas Company.

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Second, the data used to calculate the Company's response to odor call performance was adjusted to exclude calls received on June 21, 2002. On that date, Bay State Gas Company experienced a release of odorant into the atmosphere during maintenance of its Marston Street station in Lawrence MA. Because the Marston Street station is located in close proximity to the Essex Gas service territory in Haverhill, MA, the Company was suddenly inundated with more than 180 odor calls. Including those calls, which were clearly the result of an incident beyond the Company's control, would have adversely and inappropriately skewed the Company's annual performance results. Accordingly, the Company excluded those calls from its performance calculations. The Company then calculated the average number of daily odor calls for the period June 1 through June 20, 2002 and June 22 through June 30 2002 and the average response rate within 60 minutes and substituted those values for June 21, 2002 actual performance.

Please contact me if you need anything further.

Very truly yours,

Thomas P. O'Neill

TPO/ca
Enclosures

cc: George Yiankos, Director of Gas Division
Kevin Brannelly, Director of Rates & Revenue Requirements
Karen Robinson, Director of Consumer Division
Caroline O'Brien, Hearing Officer

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